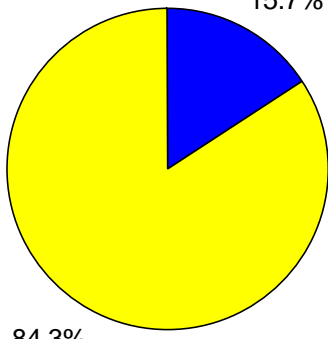


## 02-02-Internal Auditing

Fund/Agency: 001/02	Office of the County Executive	
Personnel Services	\$937,326	<b>CAPS Percentage of Agency Total</b>  <b>84.3%</b> <b>15.7%</b> <div>■ Internal Auditing ■ All Other Agency CAPS</div>
Operating Expenses	\$68,887	
Recovered Costs	\$0	
Capital Equipment	\$0	
<b>Total CAPS Cost:</b>	<b>\$1,006,213</b>	
Federal Revenue	\$0	
State Revenue	\$0	
User Fee Revenue	\$0	
Other Revenue	\$0	
<b>Total Revenue:</b>	<b>\$0</b>	
<b>Net CAPS Cost:</b>	<b>\$1,006,213</b>	
Positions/SYE involved in the delivery of this CAPS	12/12	

### ► CAPS Summary

The Board of Supervisors established the Internal Audit Office in FY 1982 as an independent appraisal function to examine and evaluate County activities. It is the organization within Fairfax County that has been charged by management and the Board of Supervisors with the responsibility for continually examining and evaluating the adequacy and effectiveness of our system of internal control and the quality of performance.

Two separate but related trends have significantly impacted the Internal Audit Office:

- The County increasingly relies on technology to conduct its day to day business processes.
- The increased use of technology has resulted in a decentralization of our business processes, with County departments assuming more authority and responsibility.

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In a highly automated and decentralized environment internal controls become more important. The Internal Audit Office is assisting management in the following ways:

- 1) In this environment, guidance in the form of strong central policies, procedures, and controls are important. In FY 2000 the Internal Audit Office concentrated on reviewing nine key central financial processes and the responsible oversight department for each process, and made 36 recommendations.
- 2) In FY 2001 the Internal Audit Office selected 7 individual departments for review of their financial processes. As a result of significant unscheduled audits, there was a delay in starting these reviews. The Internal Audit Office will continue the second part of this effort by rescheduling these audits to the FY 2002 Audit Plan along with the audits of six additional departments. In FY 2002 staff completed 19 audits, including 6 unscheduled special investigations, and made 172 recommendations.
- 3) Information technology auditing is a must in the County's highly automated business environment. The Internal Audit Office has strengthened the information technology auditing capability recently by converting two Auditor III positions to Information Systems Auditors. This balances staffing at 50% information systems audit and 50% financial/operational audit. The Internal Audit Office has conducted over 50 IT and IT-related audits in the past 10 years.

### **► Method of Service Provision**

The mission of the Internal Audit Office is to promote efficient and effective local government. To fulfill this mission the Office audits and evaluates all County activities, programs, and services. Staff prepare written audit reports, which contain findings and recommendations. The audit reports include an action plan from the departments to implement those recommendations. Follow-up reviews are conducted to assure that recommendations are fully implemented. The reports go to the County Executive and the Board of Supervisors and are subsequently made public on the Internal Audit WEB site.

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► Performance/Workload Related Data

Title	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Audits conducted	17	11	17	20	22
Agencies audited	9	25	28	40	40
Recommendations made	36	61	64	70	77
Recommendations accepted	36	60	64	53	62
Audits completed on time	N/A	73%	72%	75%	80%
Percent of survey customers' opinion of audit recommendations:					
Increased efficiency/ effectiveness	99%	99%	99%	99%	99%
Strengthened controls	99%	99%	99%	99%	99%
Percent agencies audited	7%	20%	25%	15%	25%
Percent recommendations implemented	39%	78%	67%	75%	80%